

H1-FY18 Financial Results

Rajesh Mokashi
MD & CEO



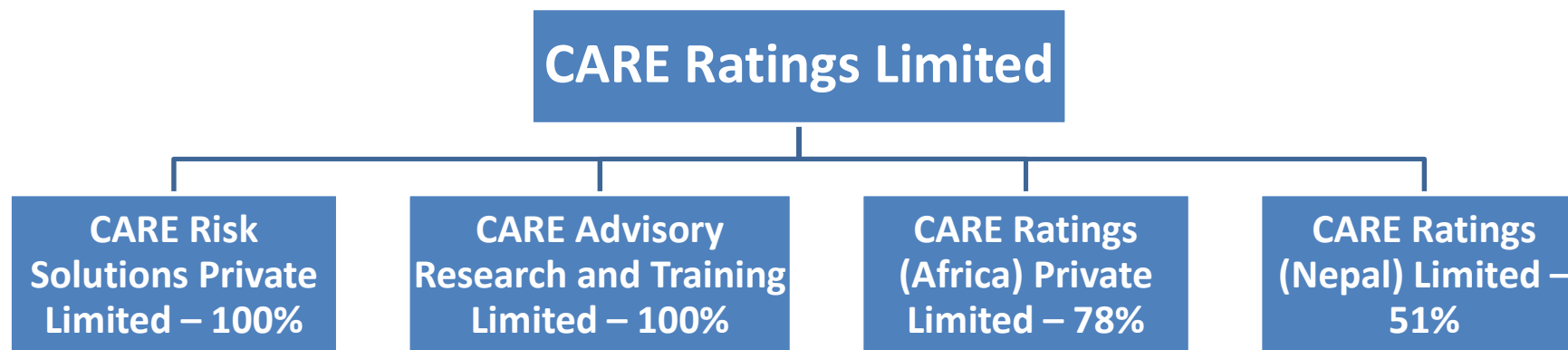
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CARE Ratings Group



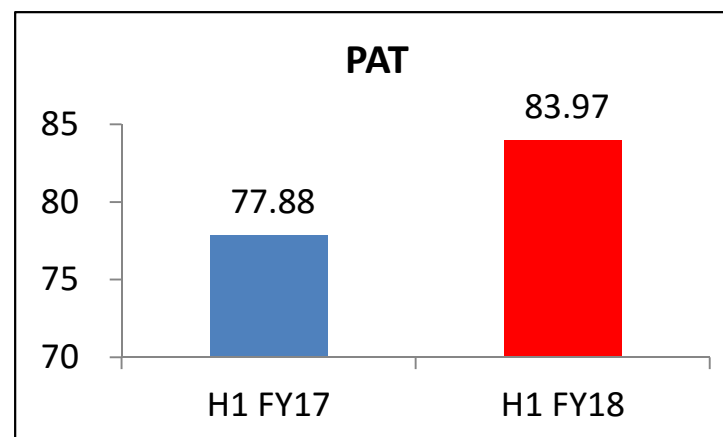
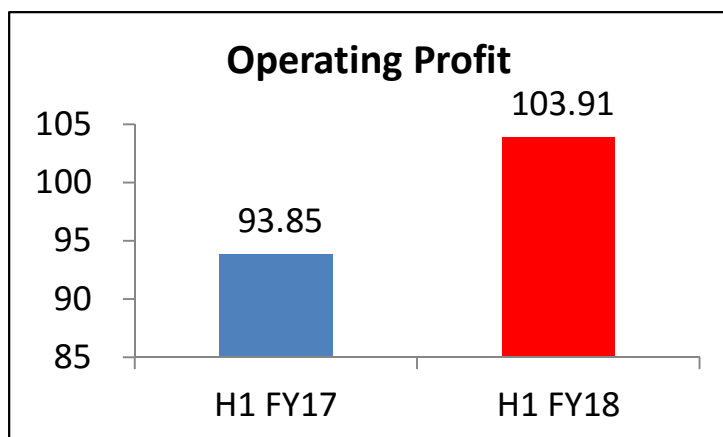
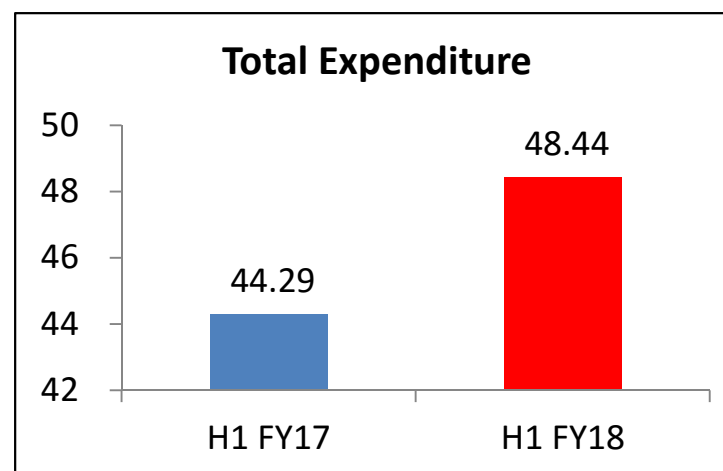
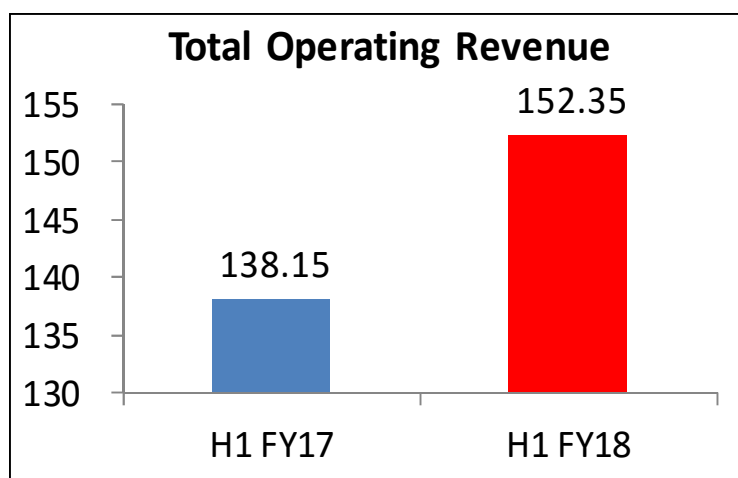
Highlights: H1-FY18

- **Growth in Financial Indicators**
 - Growth in Rating income of 10.9% in H1-FY18 over H1-FY17
 - Growth in expenditure of 9.4%
 - EBITDA margins at 71.6% and PAT margins at 50.9% in H1-FY18
 - 1894 new clients added during 6M-FY18
- **Business Profile**
 - Total volume of debt rated stood at Rs 7.14 lakh crore in H1-FY18 as against Rs 6.70 lakh crore in H1-FY17
 - Total number of instruments rated were 4,184
- **Dividend**
 - 2nd Interim Dividend of Rs. 6 per share declared by the Board

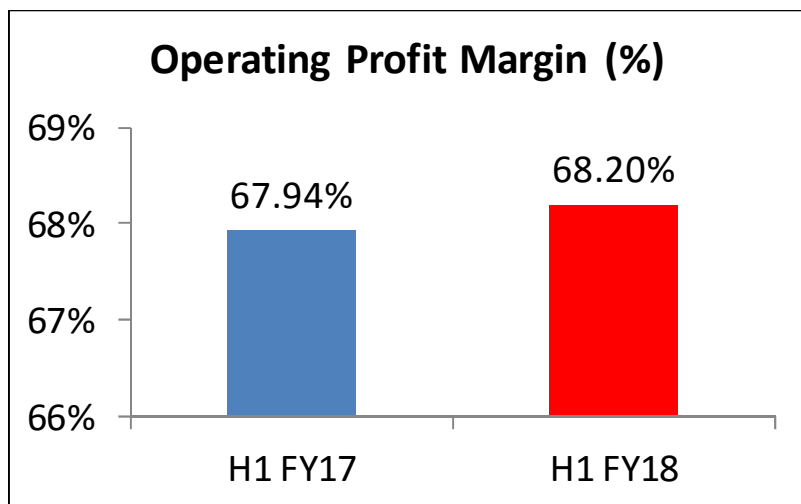
Financial Performance

Rs. Lakhs			
Particulars	Actual H1 FY18	Actual H1 FY17	% Change
Revenue			
Rating fees	15,218	13,719	10.9%
Research & Information	16	96	-82.7%
Investment / Other income	1,275	2,073	-38.5%
Total income	16,510	15,888	3.9%
ESOP Exp	127	-	
Expenditure	4,717	4,429	6.5%
Operating Profit	10,391	9,385	10.7%
Profit Before Tax	11,666	11,458	1.8%
Provision for Tax	3,269	3,671	-10.9%
Profit After Tax	8,397	7,788	7.8%
Operating Profit margin(%)	68.2%	67.9%	
Profit Before Tax margin(%)	70.7%	72.1%	
Net Profit margin(%)	50.9%	49.0%	
Basic EPS (Rs. per share)	28.38	26.46	

Financial Performance:H1-FY18 (Rs. crore)

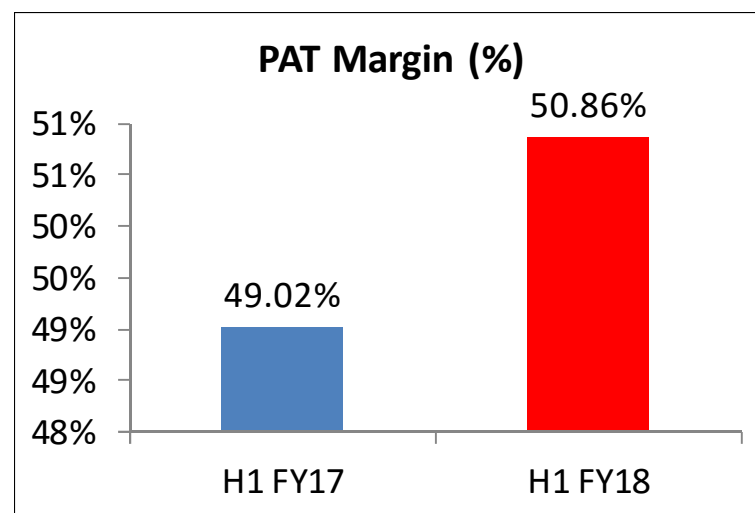


Financial Performance: H1-FY18

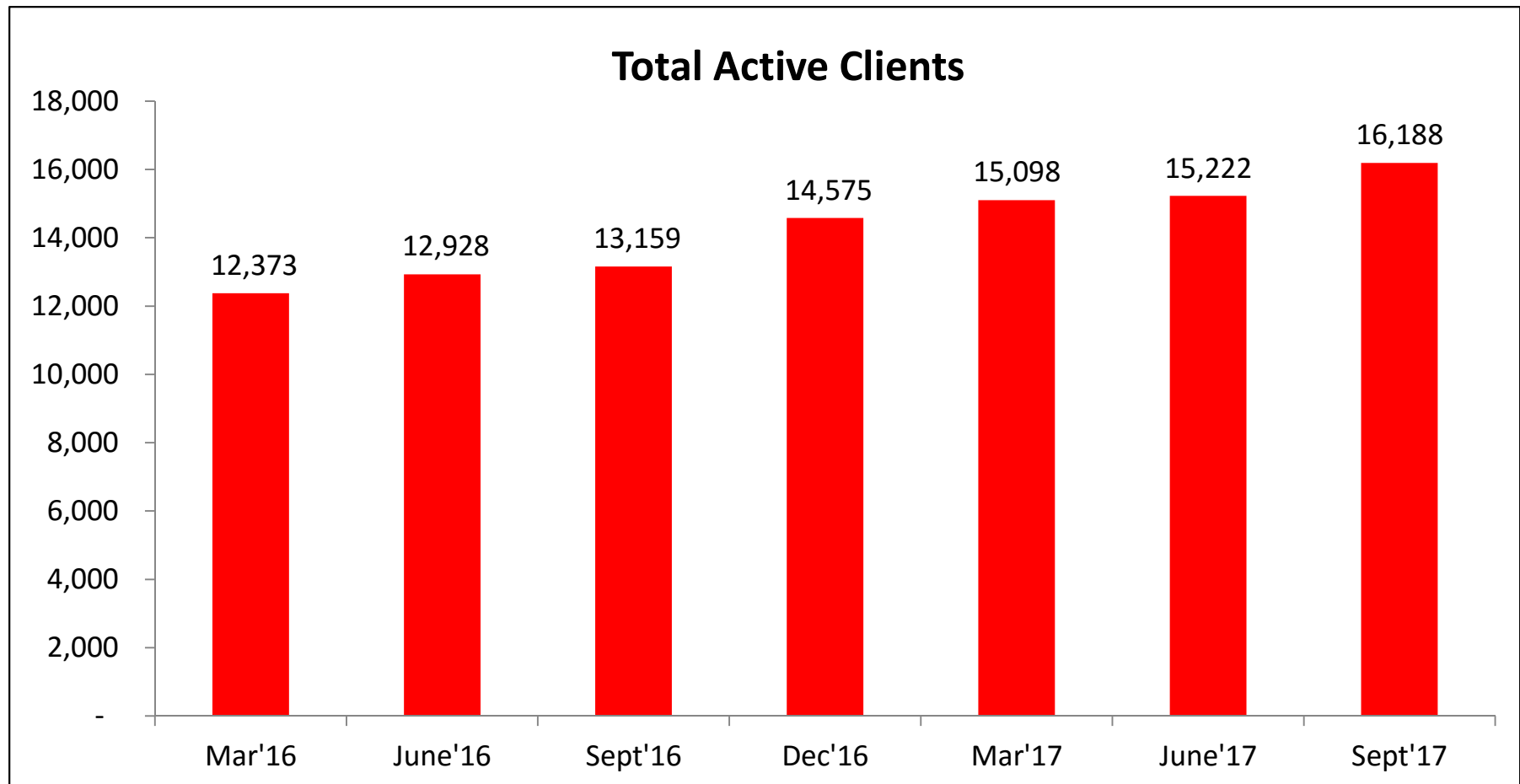


H1-FY18 Operating profit margin stood at 68.2% mainly due to increase in total volume of fresh debt rated from Rs 6.70 lakh crore to Rs 7.14 lakh crore during this period with 4,184 instruments being rated.

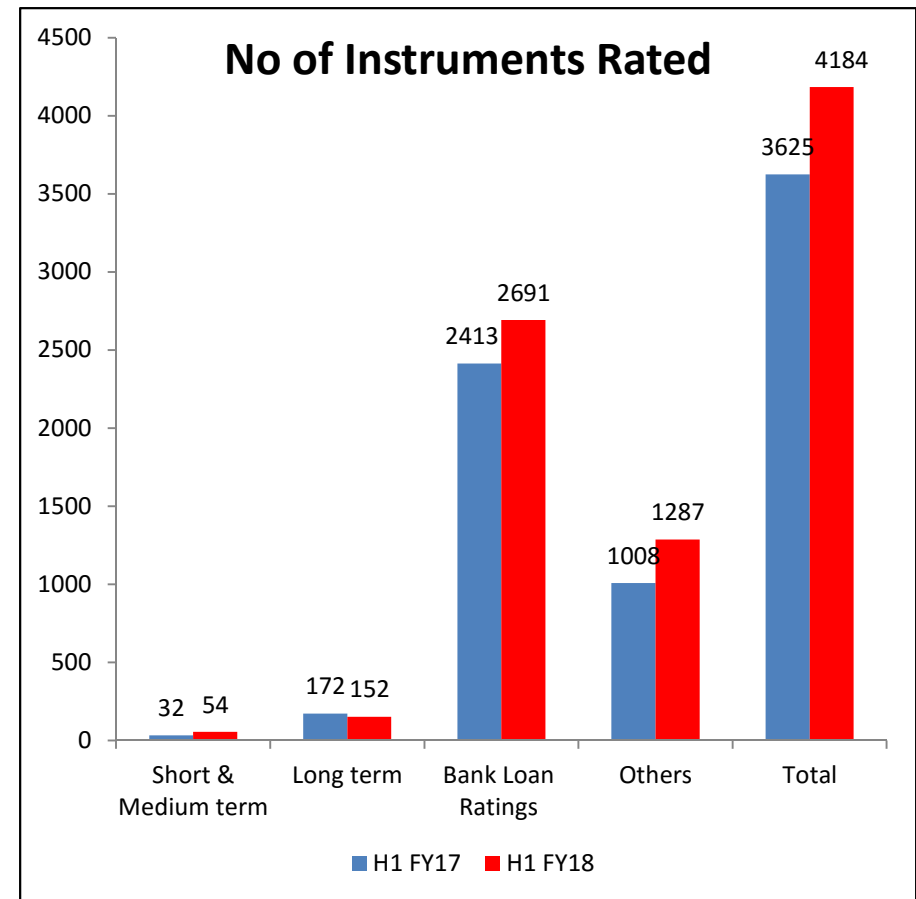
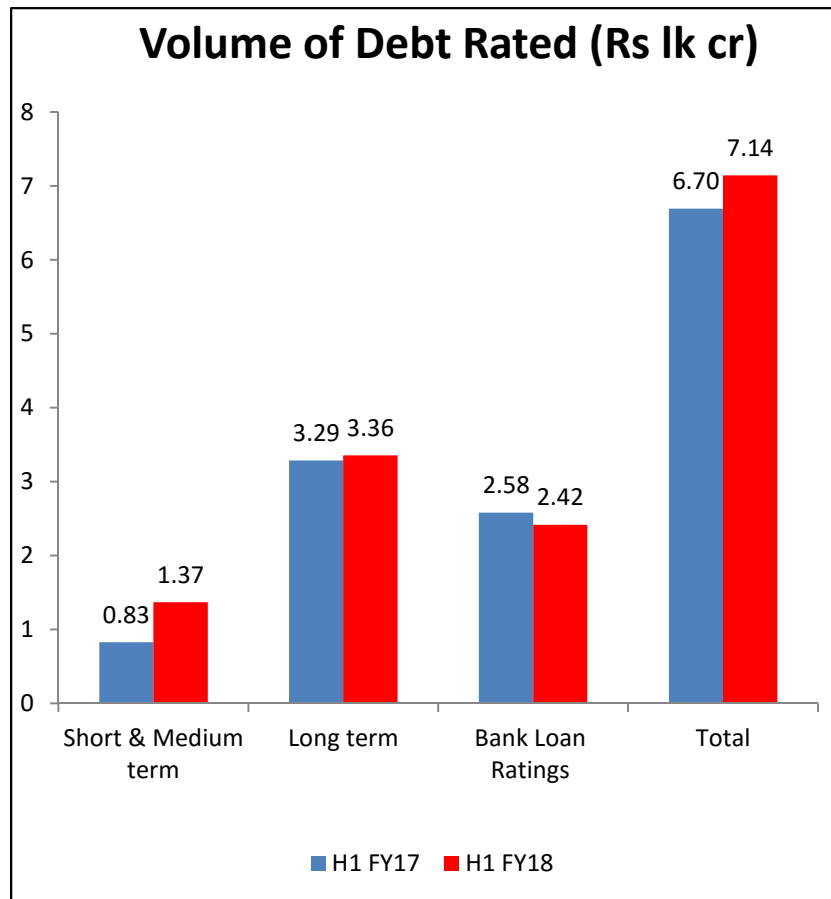
H1-FY18 PAT margin stood at 50.9% mainly due to increase in rating income.



Business Performance

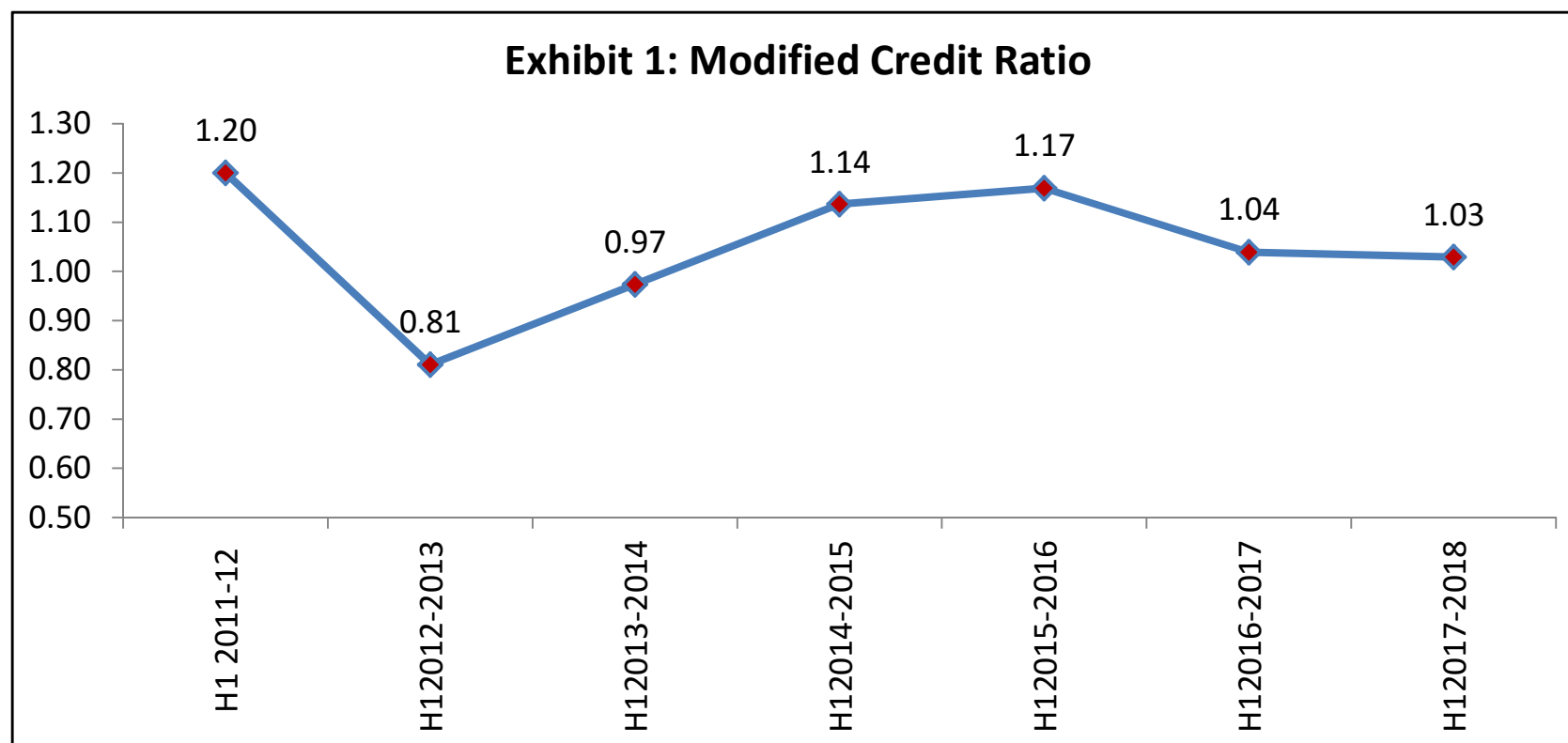


Business Performance: H1-FY18



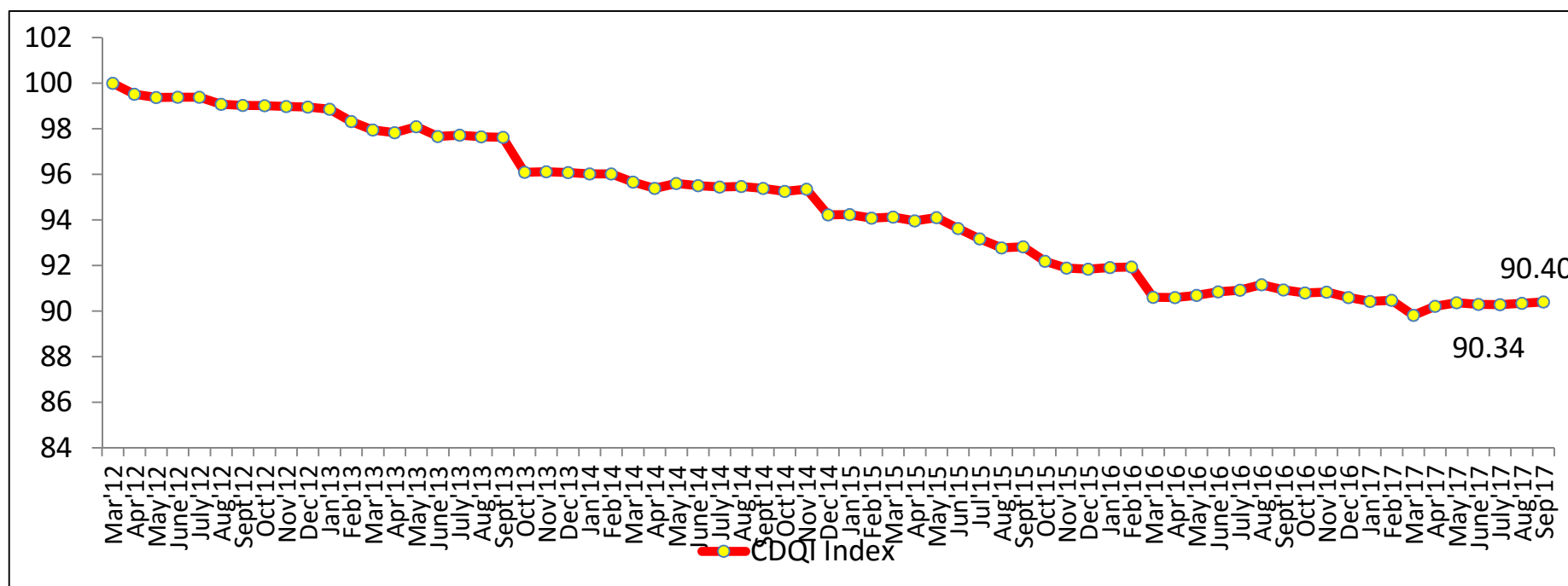
Rating Movement

The movement of credit ratings of the entities rated by CARE Ratings in the first half of the ongoing fiscal (H1 FY18) illustrates the prevalence of the overall stability in the credit quality of these entities. The MCR in H1 FY18 at 1.03, indicates the stability in credit quality.



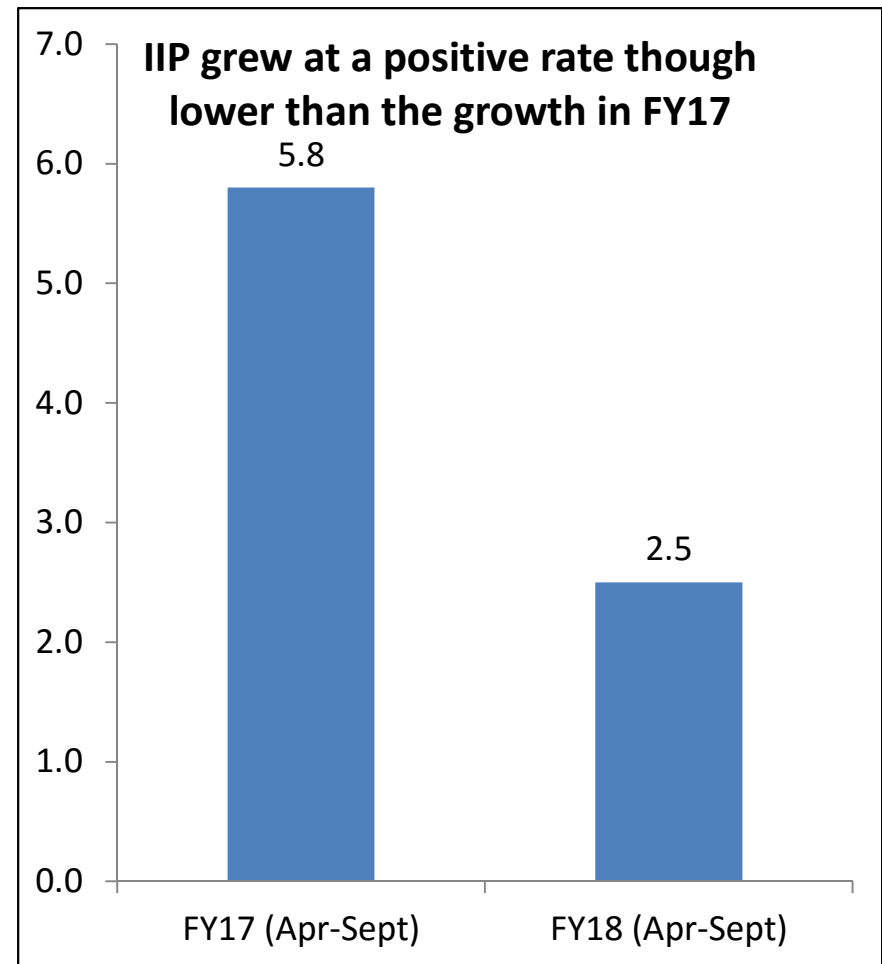
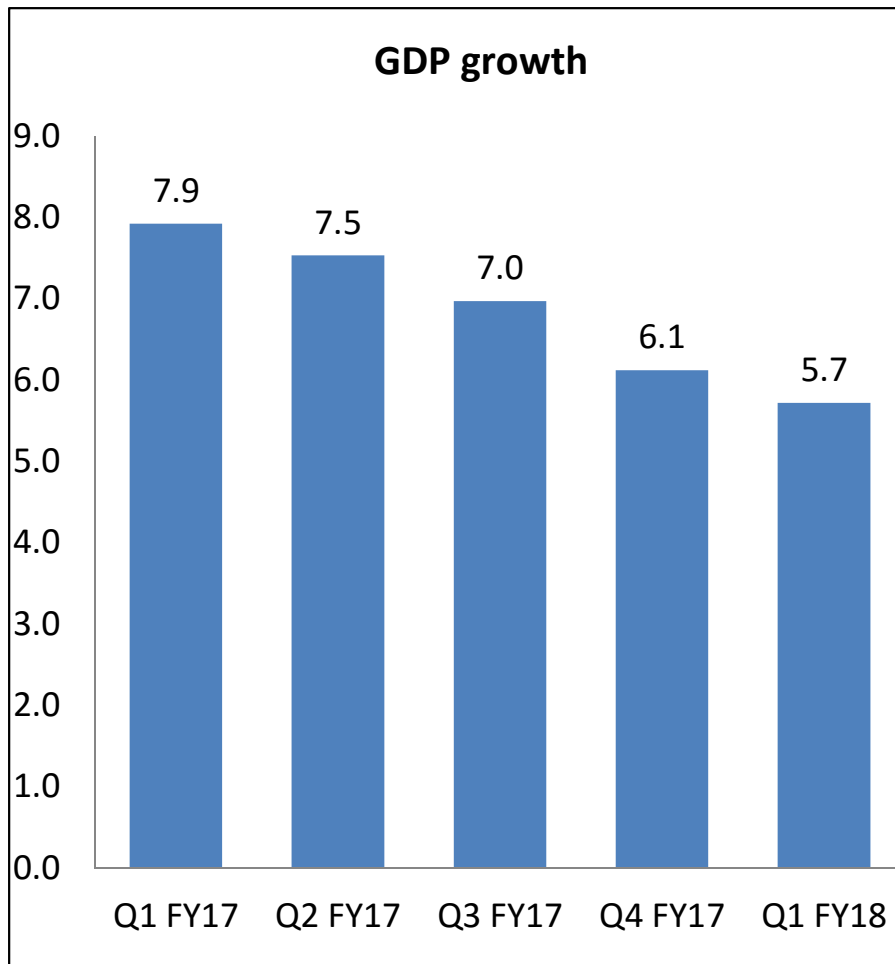
CARE Ratings Debt Quality Index (CDQI)

CDQI largely followed an improving trend in the first half of FY18, except in June 2017 and July 2017 when it declined marginally. CDQI witnessed a marginal improvement in the months of August and September 2017.

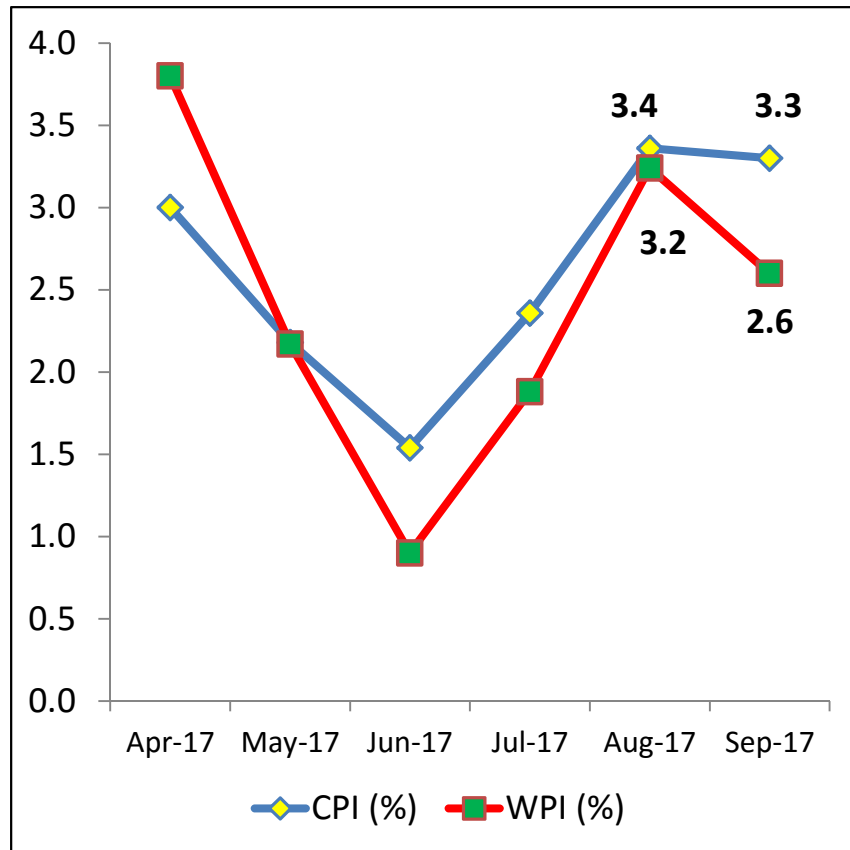


In October'17, CDQI marginally declined to 90.35

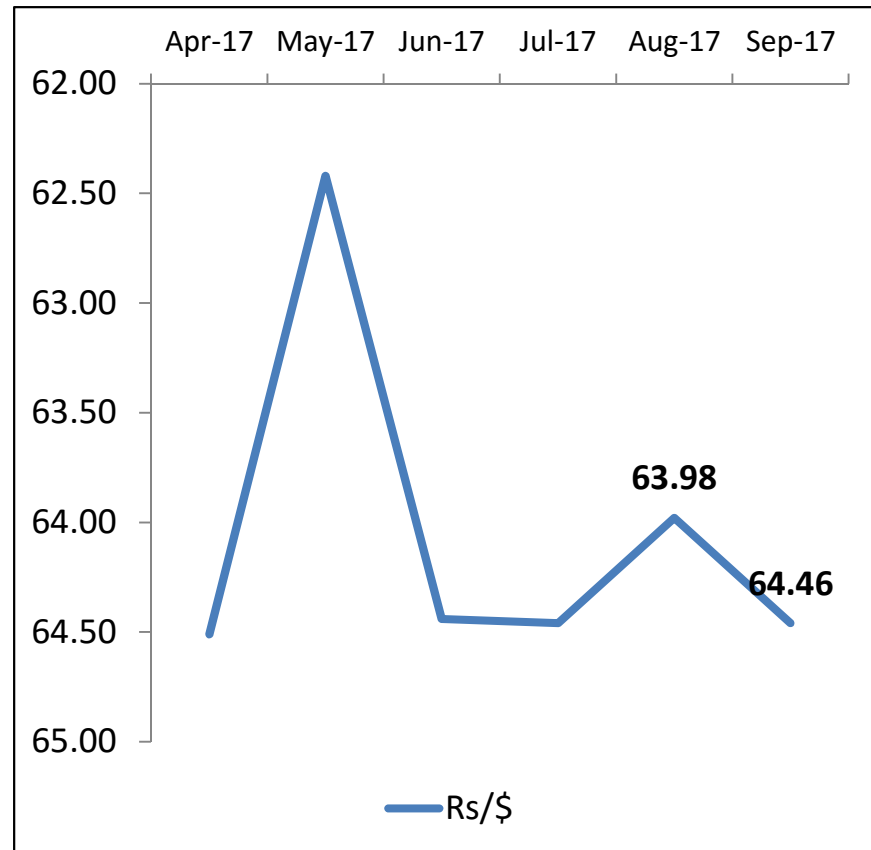
Economic Backdrop



Economic Backdrop

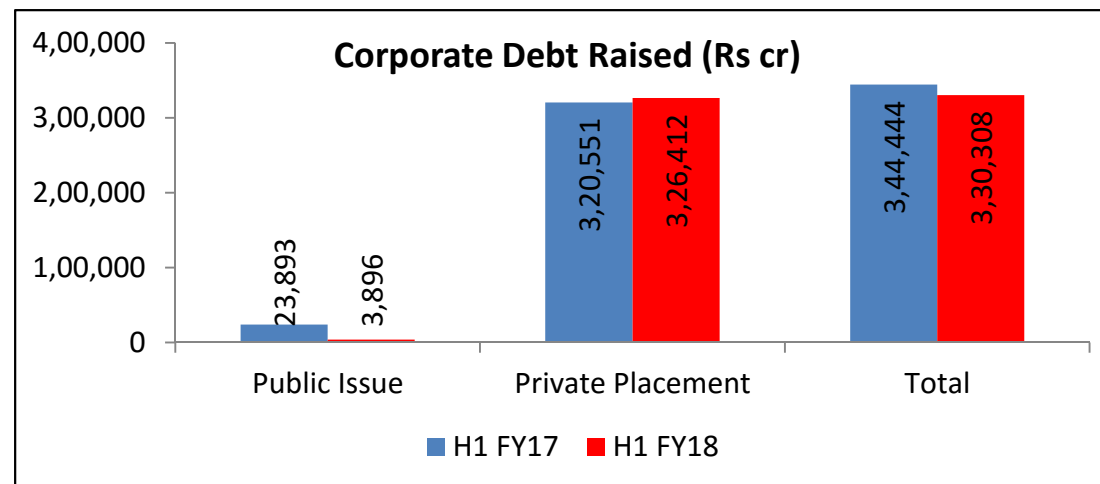
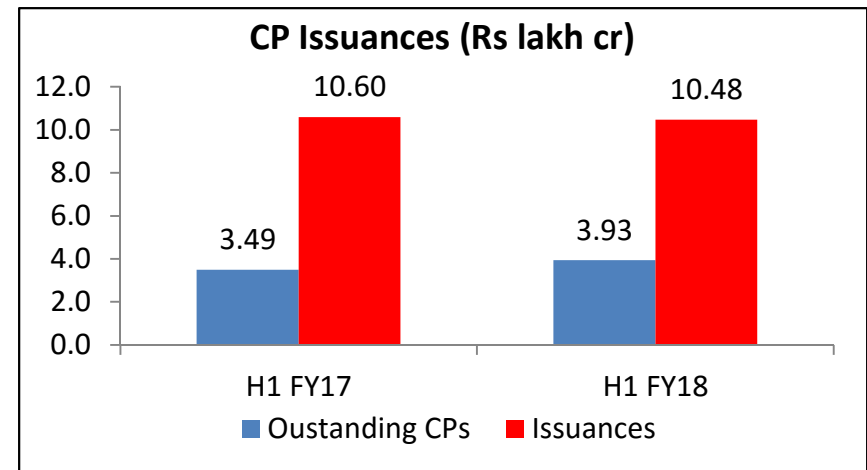
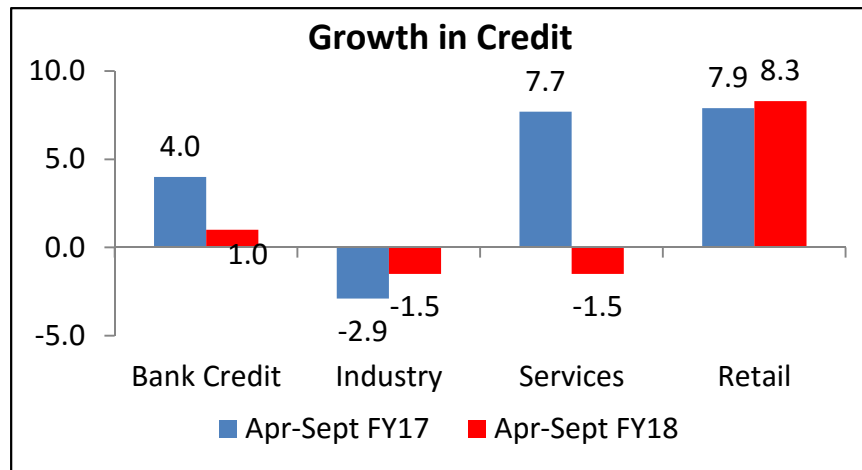


For Oct'17, CPI stood at 3.58% and WPI came in at 3.59%

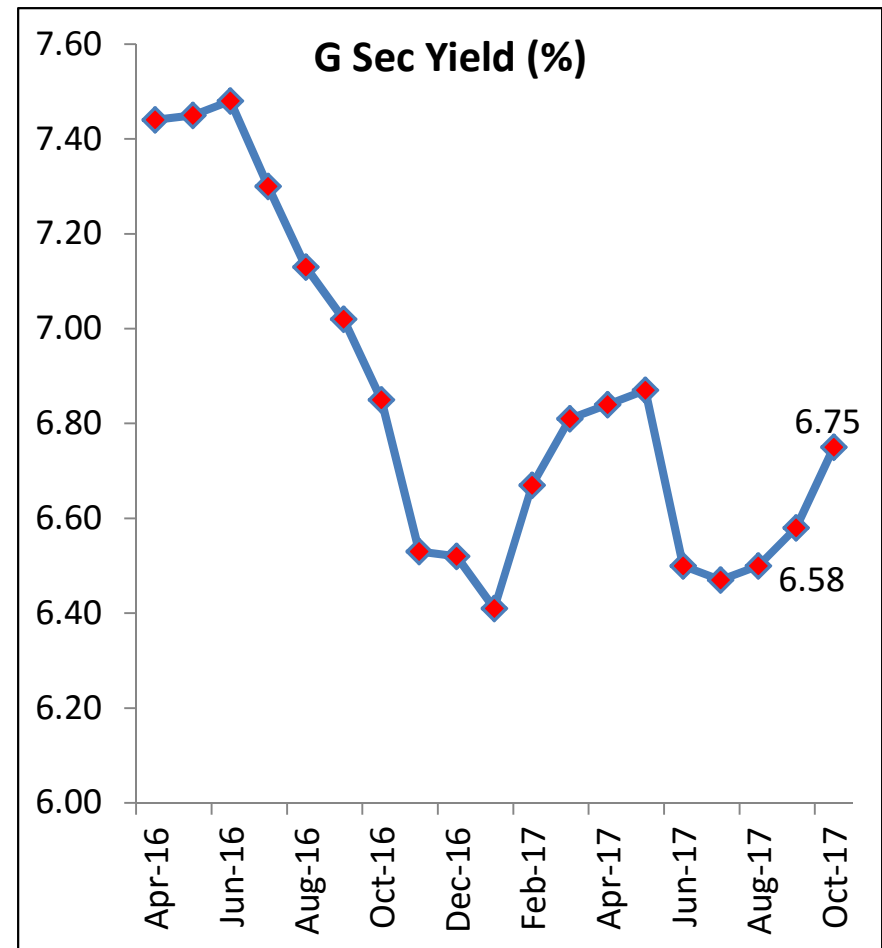
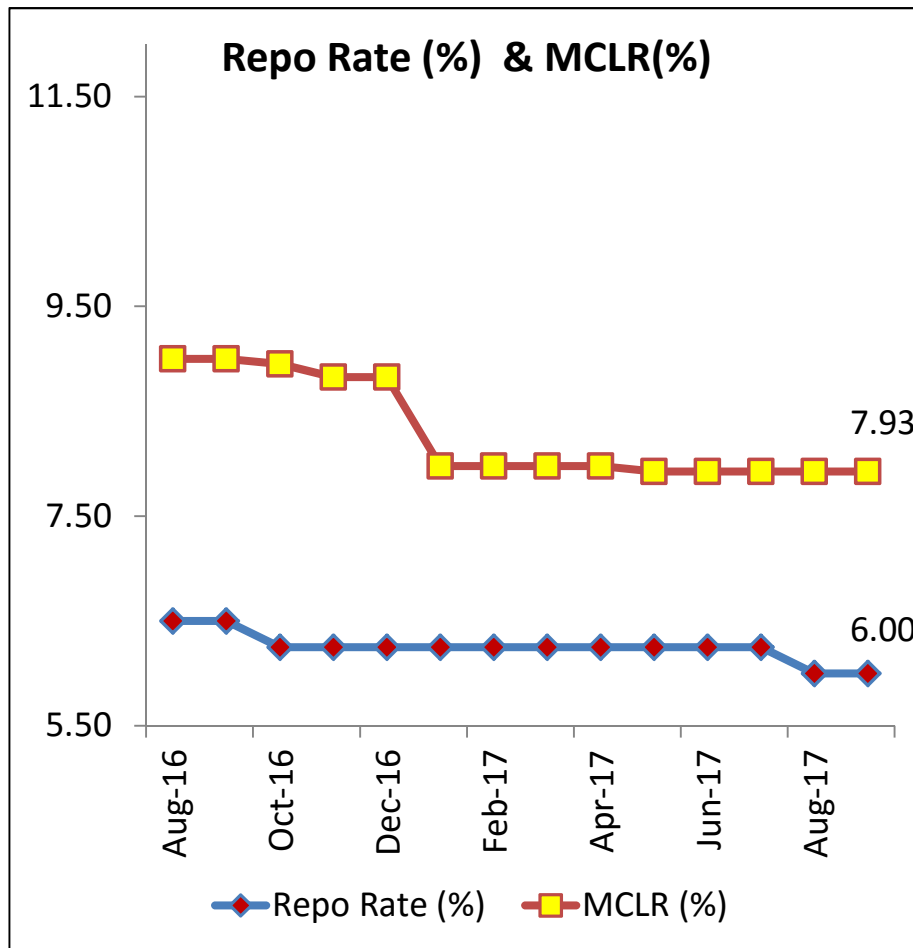


For Oct'17, rupee depreciated to Rs. 65.08/\$

Economic Backdrop



Economic Backdrop



Economic Outlook for FY18

- GDP growth is expected to be around 7% in FY18
- Inflation expected in the range of 4-4.5%
- Rupee to be in the range of Rs.65-65.5/\$
- RBI may hold the interest rate steady given the rising inflation in December'17 meeting
- If inflation declines then RBI could reduce the repo rate by 25 bps in Q4-FY18

Thank You